Office of the Price Supervisor

## Press release

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## Excessive commission rates by Booking.com – Price Supervisor orders reduction

The Price Supervisor has ruled that Booking.com B.V. must reduce its prices in Switzerland. Its analysis showed that the company's commission rates for Swiss hotels are too high and must therefore be reduced by almost a quarter. The reduction must be implemented three months after the ruling becomes final and will apply for three years. The ruling was necessary because the parties could not reach an agreement.

Under the Price Supervision Act (PrSA; SR 942.20), the Price Supervisor must prevent or remedy excessive prices that are not the result of effective competition. To this end, a multistage procedure is applied that is based on an analysis of market positioning, competition and pricing. In the case of Booking.com, the analysis confirmed that it is subject to the PrSA and that its commission rates for Swiss hotels are too high. The Price Supervisor contacted Booking.com with the aim of eliminating this abusive practice through mutual agreement. Despite intensive negotiations, it was not possible to reach an amicable settlement.

Following the failure of these negotiations, the Price Supervisor ordered Booking.com to reduce its commission rates by an average of almost a quarter. The company is responsible for implementing this measure. The reduction must take effect three months after the decision becomes final and, as required by law, is limited in time – in this case to three years.

The measure aims to strengthen the competitiveness of Swiss hotels in a tough global market and indirectly to reduce the financial burden on customers.

Booking.com may appeal the decision to the Federal Administrative Court within 30 days of receipt of the notification of the Price Supervisor's ruling.

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